

Q2 2013 Earnings

Press Release Supplement

July 18, 2013

Important Notes

This presentation, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions.

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In addition to risk factors previously disclosed in BlackRock's Securities and Exchange Commission ("SEC") reports and those identified elsewhere in this presentation the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the relative and absolute investment performance of BlackRock's investment products; (4) the impact of increased competition; (5) the impact of future acquisitions or divestitures; (6) the unfavorable resolution of legal proceedings; (7) the extent and timing of any share repurchases; (8) the impact, extent and timing of technological changes and the adequacy of intellectual property, information and cyber security protection; (9) the impact of legislative and regulatory actions and reforms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock or The PNC Financial Services Group, Inc. ("PNC"); (10) terrorist activities, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (11) the ability to attract and retain highly talented professionals; (12) fluctuations in the carrying value of BlackRock's economic investments; (13) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of BlackRock; (14) BlackRock's success in maintaining the distribution of its products; (15) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (16) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations in the appendix to this earnings release supplement, our current earnings release dated July 18, 2013, and BlackRock's other periodic reports, which are available on BlackRock's web site at www.blackrock.com.

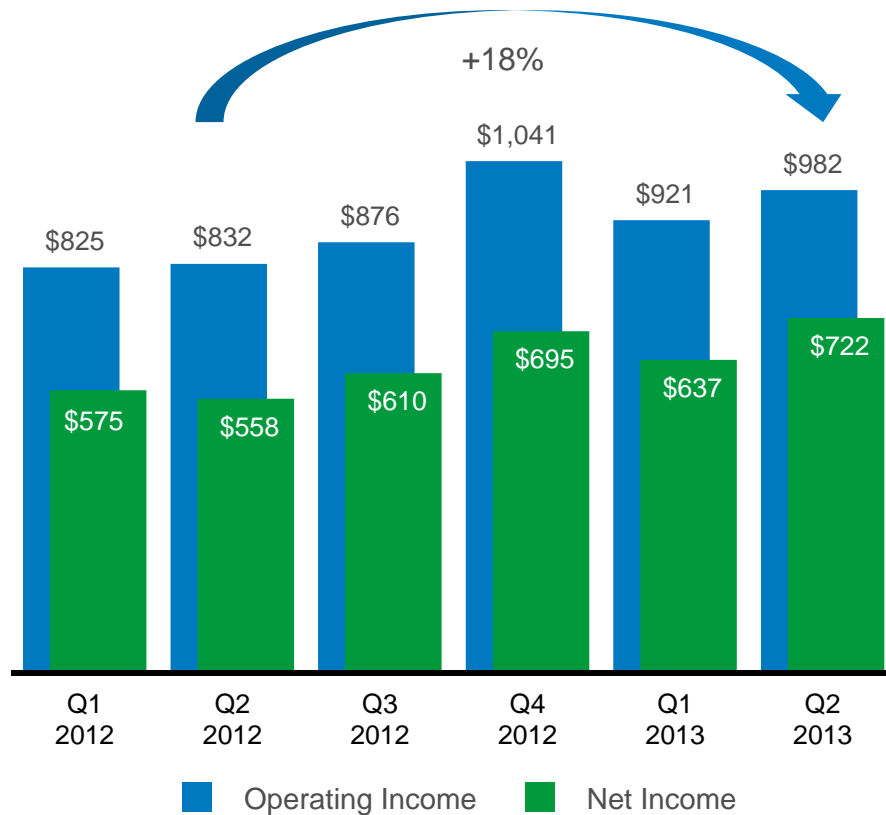
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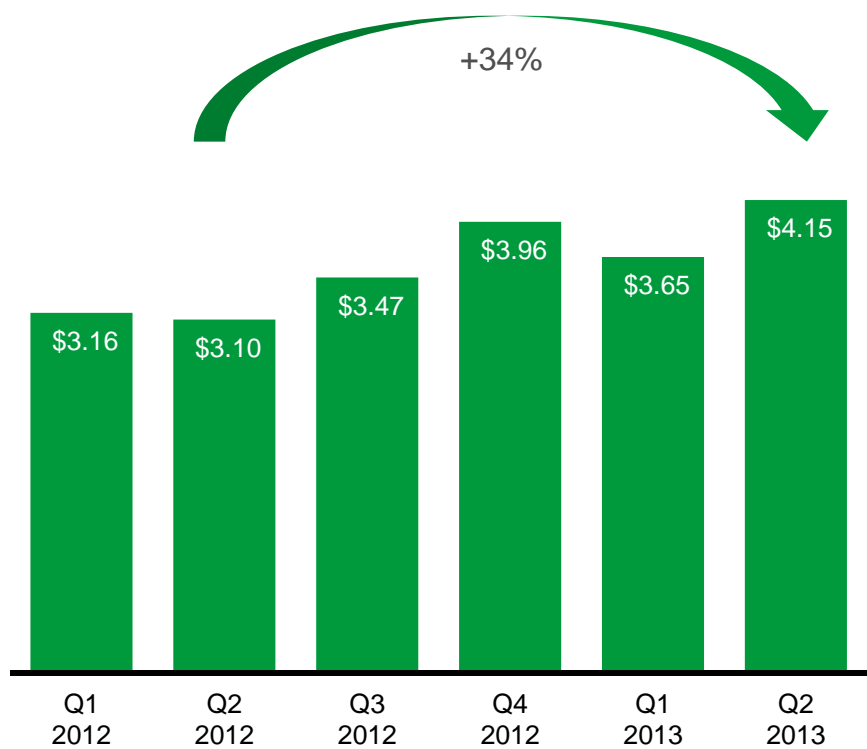
EPS up 34% and operating income up 18% year-over-year

- Q2 2013 EPS reflects a \$39 million non-cash, non-operating pre-tax gain related to the PennyMac IPO
- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Operating and Net Income, as adjusted (\$ in millions)



Diluted Earnings Per Share, as adjusted

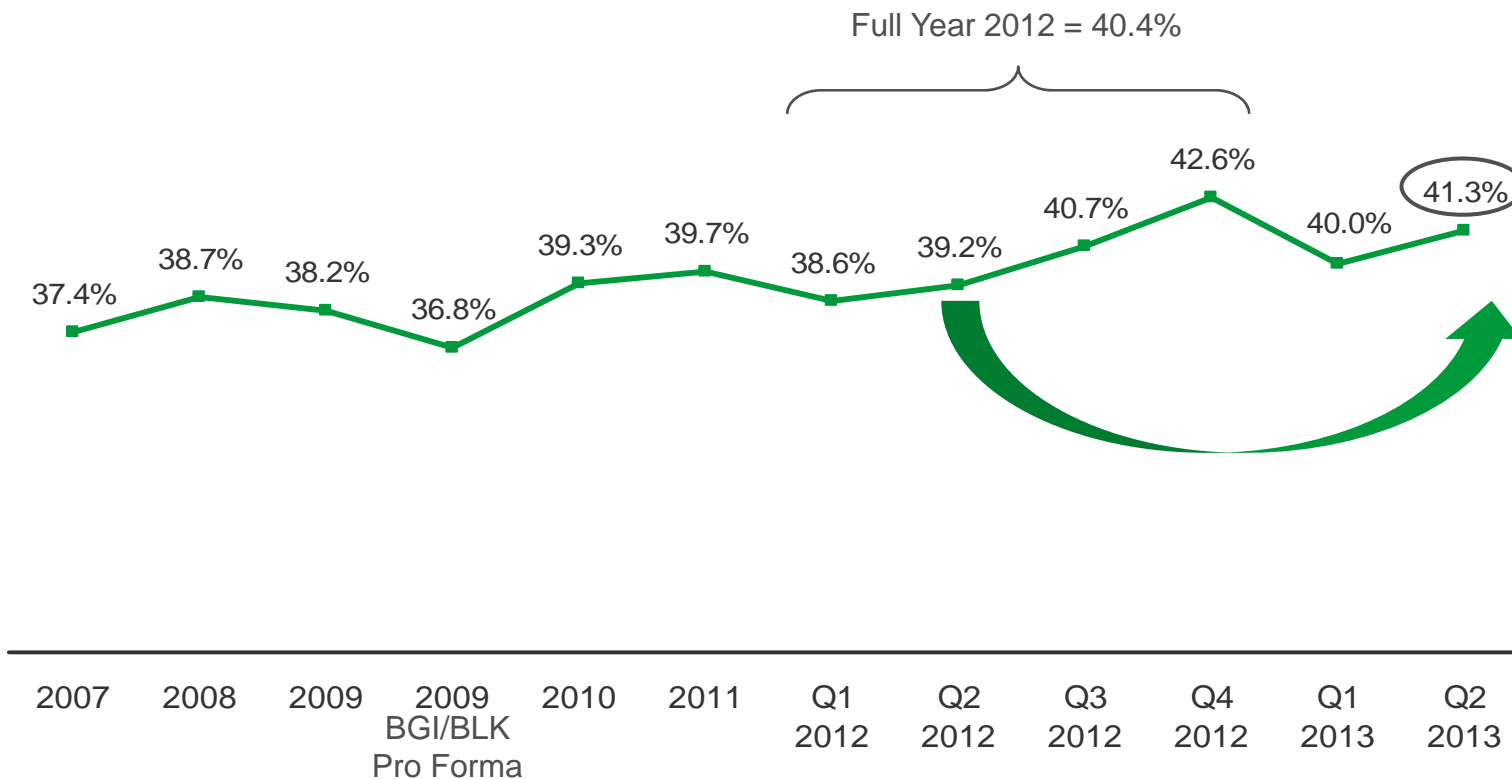


For further information and reconciliation between GAAP and as adjusted, see the appendix, notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Continued margin improvement

- Sequential results reflect seasonal factors primarily related to higher securities lending fees, lower payroll taxes and lower performance fees
- Q2 2013 and Q1 2013 include \$9 million and \$33 million of organizational alignment costs, respectively
- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Operating Margin, as adjusted



For further information and reconciliation between GAAP and as adjusted, see the appendix, notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

A broadly diversified business across clients, products and geographies

Q2 2013 Long-term Base Fees of \$2.094 billion
 Long-term Assets Under Management of \$3.564 trillion at June 30, 2013



Major market indices and exchange rates

	Spot		Spot June 30, 2013 vs. March 31, 2013	Average Level			Average Q2 2013 vs.	
	June 30, 2013	March 31, 2013		Q2 2013	Q2 2012	Q1 2013	Q2 2012	Q1 2013
	Equity Indices:							
<i>Domestic</i>								
S&P 500	1,606	1,569	2.4%	1,610	1,350	1,513	19.3%	6.4%
<i>Global</i>								
MSCI Barra World Index	1,434	1,435	(0.1%)	1,463	1,233	1,405	18.7%	4.1%
MSCI Europe Index	98	101	(3.0%)	101	86	100	17.4%	1.0%
MSCI AC Asia Pacific Index	131	136	(3.7%)	136	118	133	15.3%	2.0%
MSCI Emerging Markets Index	940	1,035	(9.1%)	1,004	963	1,059	4.2%	(5.2%)
S&P Global Natural Resources	3,083	3,415	(9.7%)	3,295	3,209	3,524	2.7%	(6.5%)
Fixed Income Index:								
Barclays U.S. Aggregate Bond Index	1,799	1,842	(2.3%)	1,839	1,800	1,837	2.2%	0.1%
Foreign Exchange Rates:								
GBP to USD	1.52	1.52	0.1%	1.54	1.58	1.55	(3.0%)	(1.0%)
EUR to USD	1.30	1.28	1.5%	1.31	1.28	1.32	1.8%	(1.1%)

Source: Bloomberg

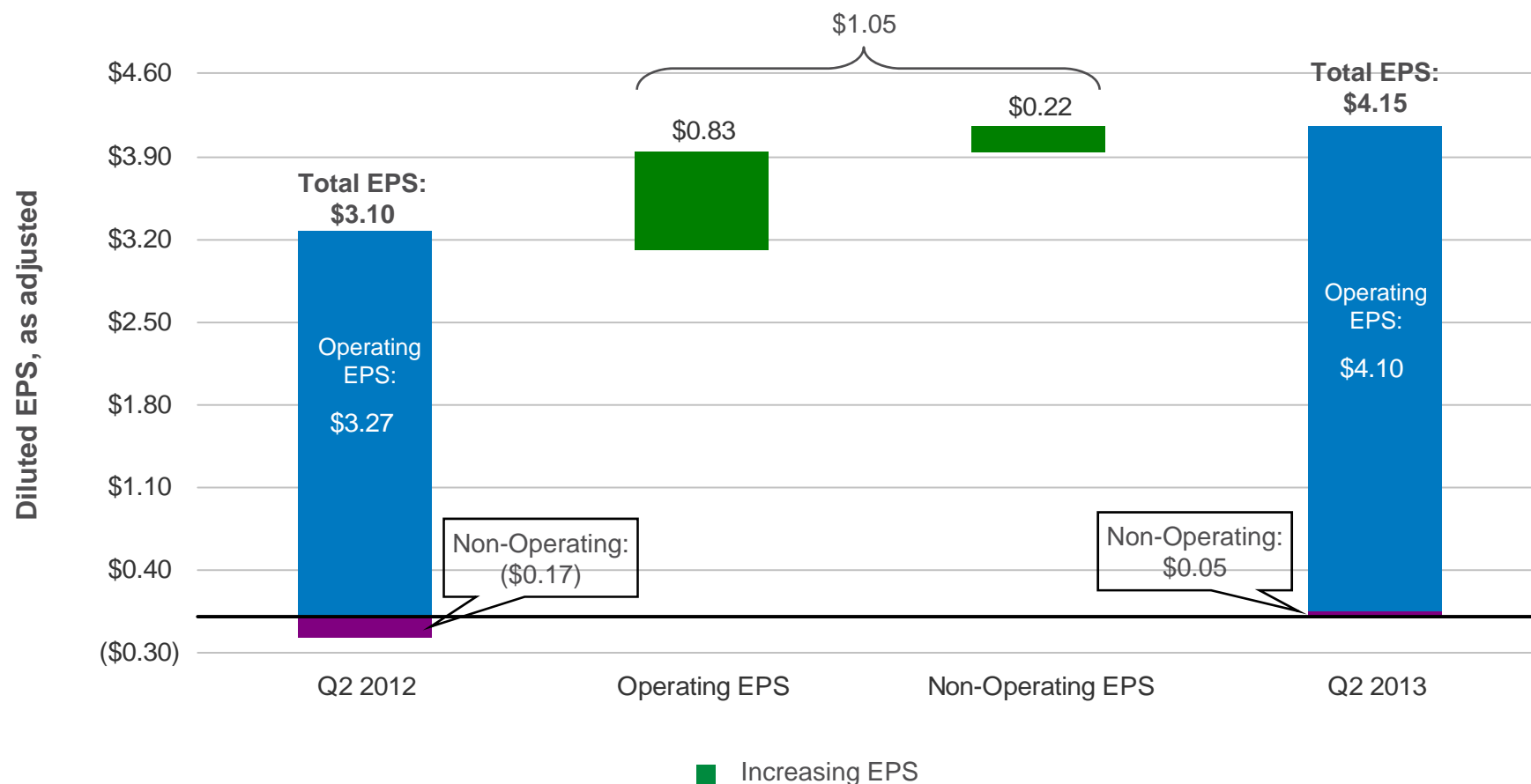
Year-over-year

Q2 2013 vs. Q2 2012

EPS up 34% year-over-year driven by an increase in operating income of 18%

- Q2 2013 EPS reflects a \$39 million non-cash, non-operating pre-tax gain related to the PennyMac IPO
- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Q2 2013 Compared to Q2 2012, as adjusted

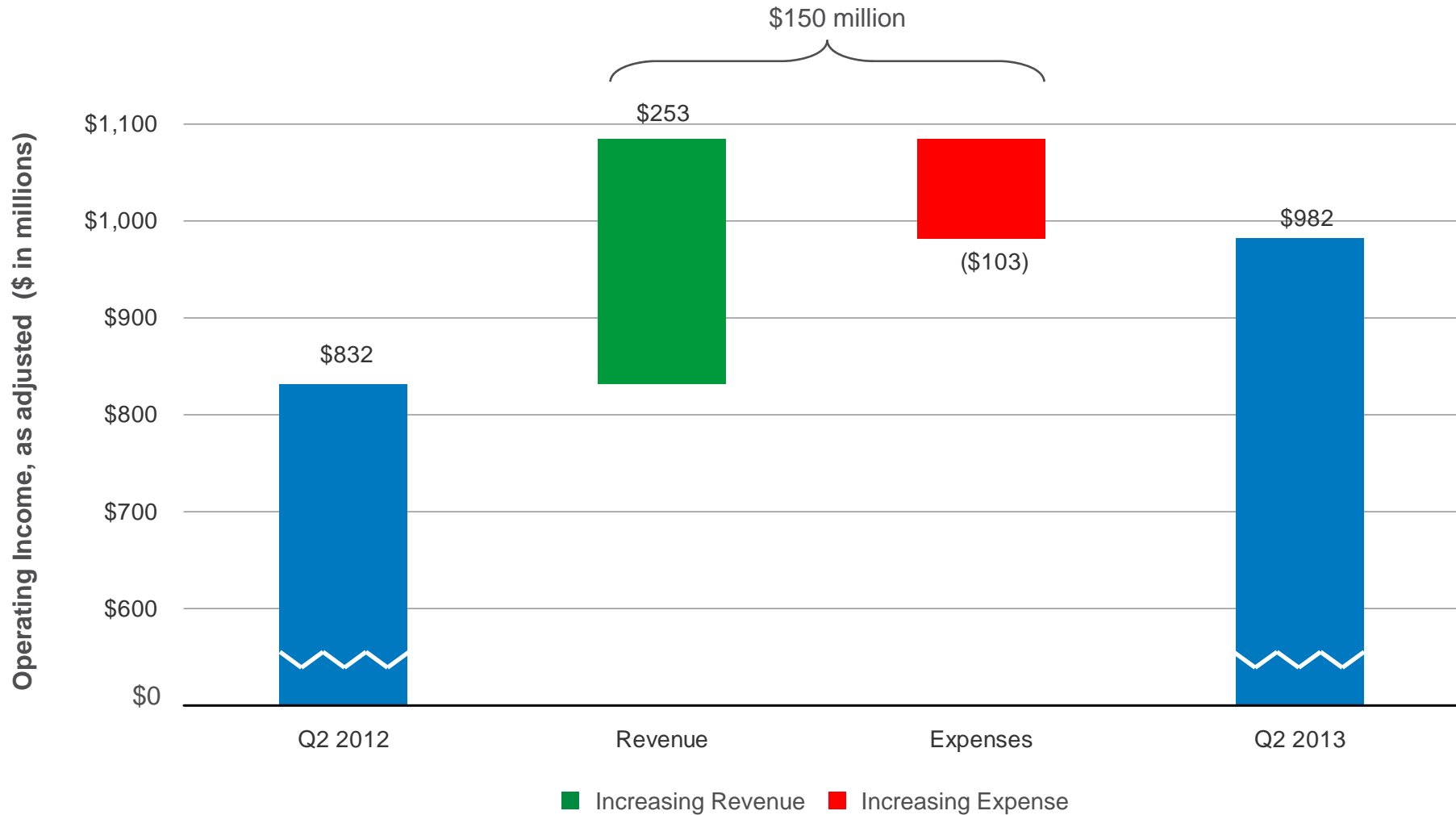


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Operating results reflect record base fees and margin expansion

- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Q2 2013 Compared to Q2 2012, as adjusted



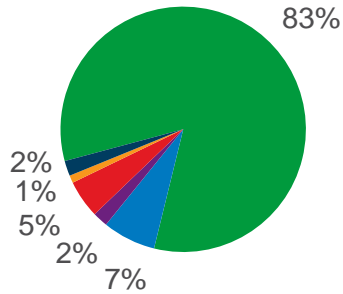
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Revenue reflects record base fees and higher performance fees

Total Revenue

Q2 2012

\$2.23 billion



■ Base Fees ex Sec Lending

■ Securities Lending

■ Performance Fees

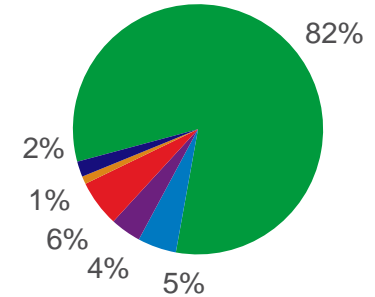
■ BRS and Advisory

■ Distribution Fees

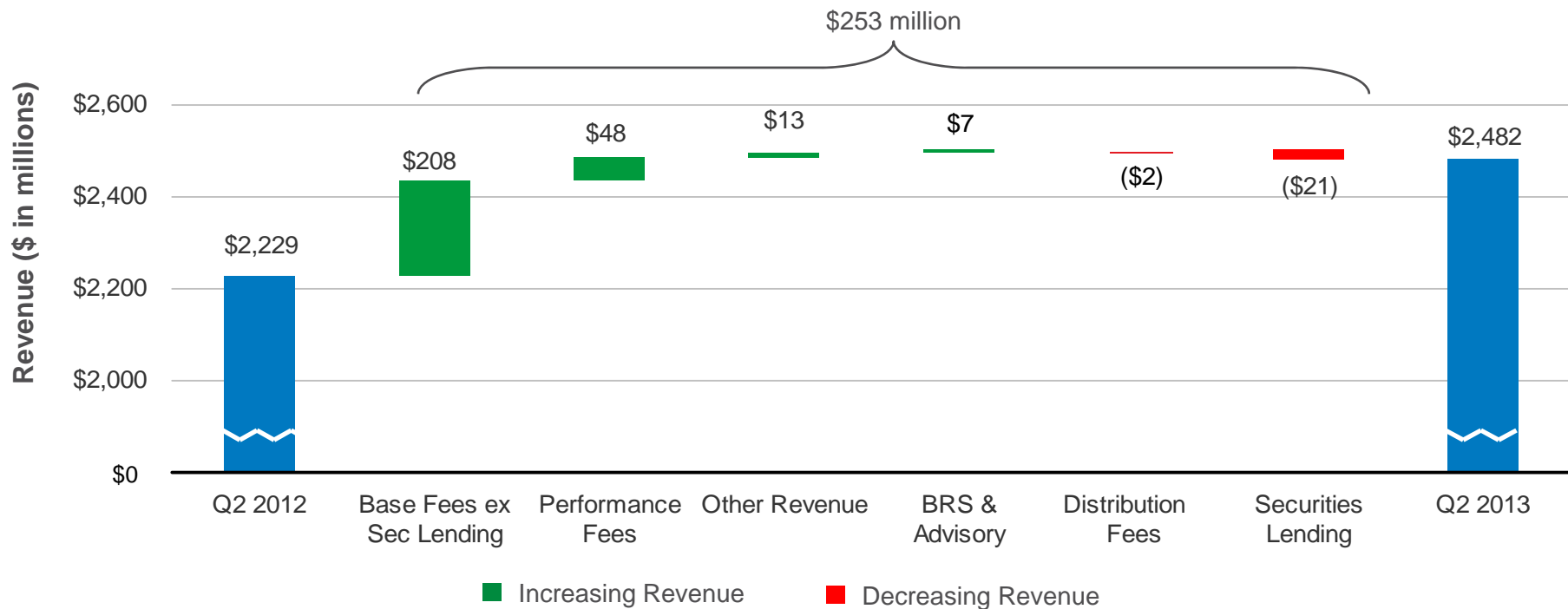
■ Other Revenue

Q2 2013

\$2.48 billion



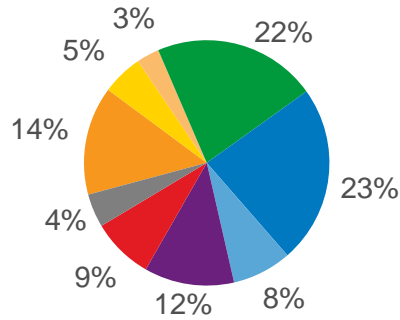
Q2 2013 Compared to Q2 2012



Base fees (including securities lending) reflect growth across all traditional long-term asset classes

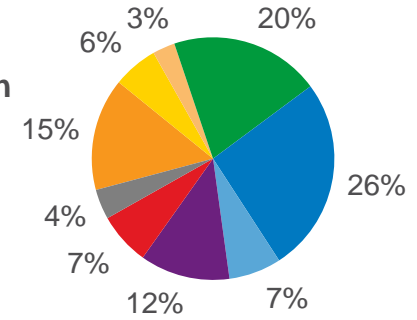
Base fees

Q2 2012
\$1.99 billion

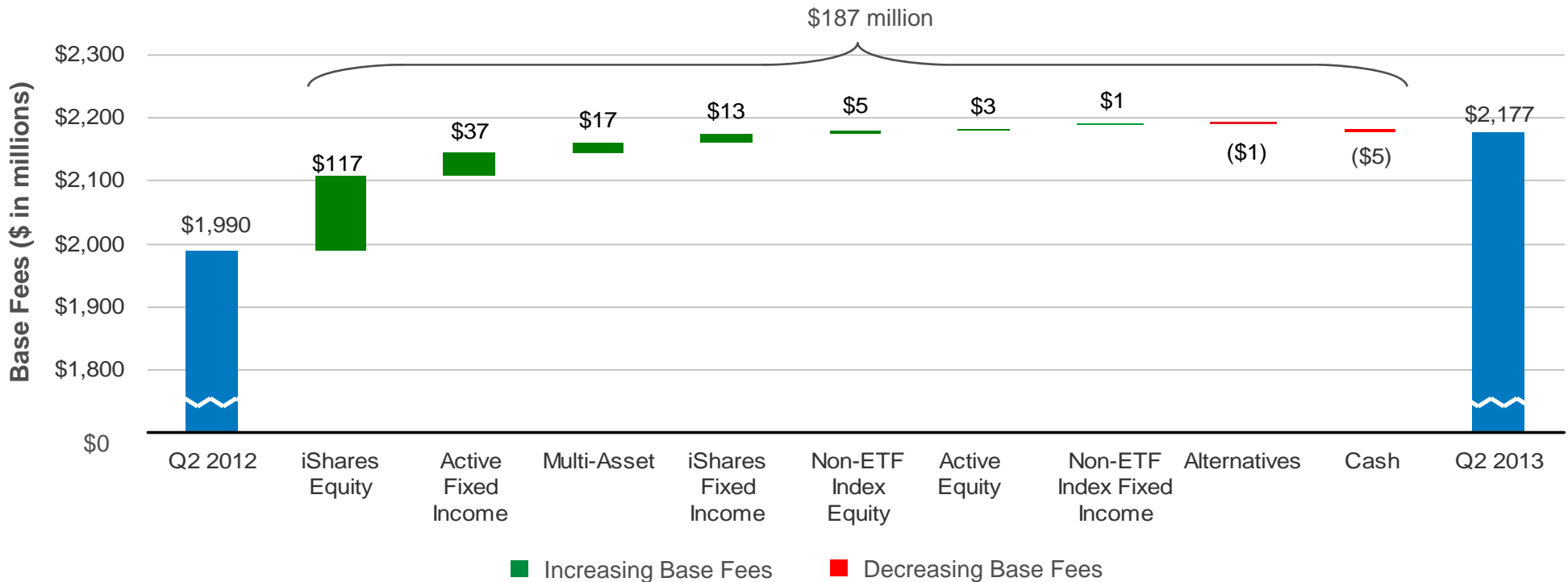


- Active Fixed Income
- iShares Fixed Income
- Non-ETF Index Fixed Income
- Active Equity
- iShares Equity
- Non-ETF Index Equity
- Multi-Asset
- Alternatives
- Cash

Q2 2013
\$2.18 billion



Q2 2013 Compared to Q2 2012



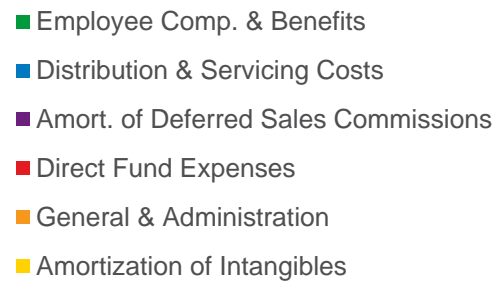
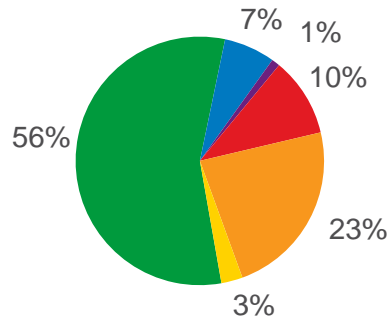
Expenses driven by higher revenue-related expenses

- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Expenses, as adjusted, by Category

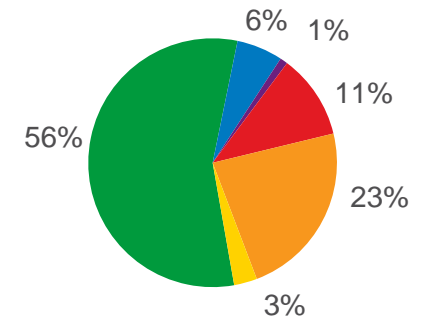
Q2 2012

\$1.40 billion

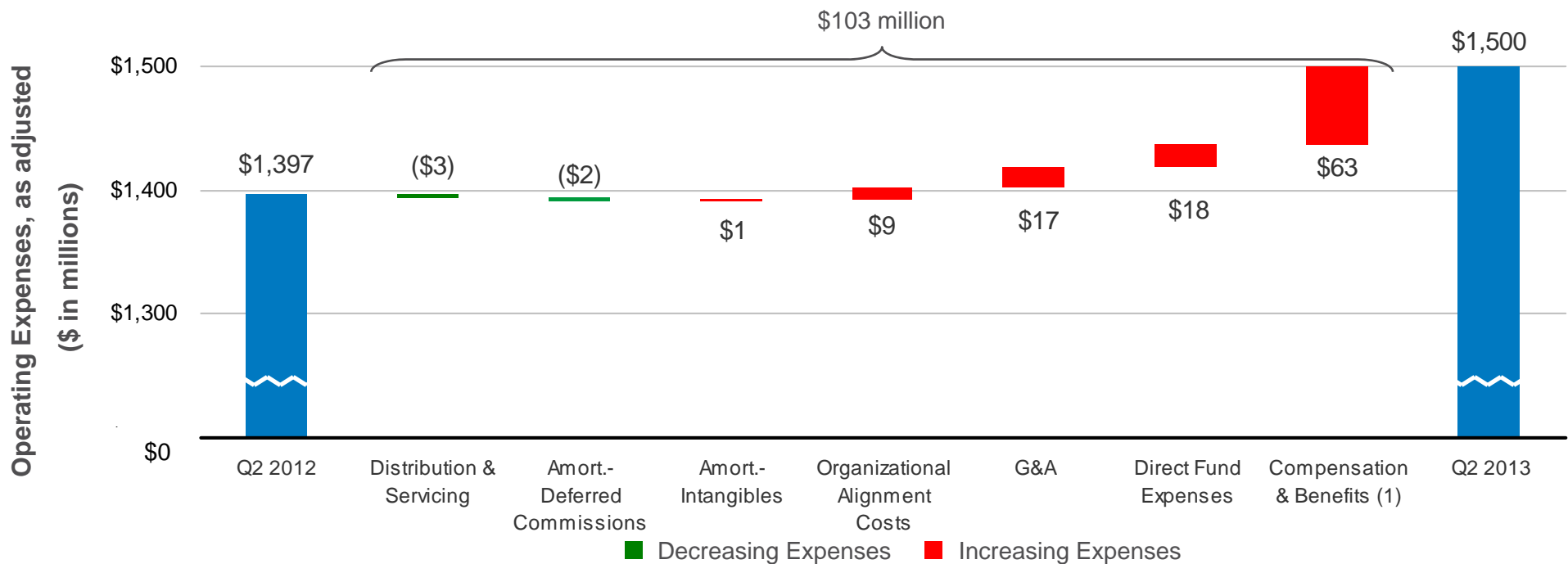


Q2 2013

\$1.50 billion



Q2 2013 Compared to Q2 2012, as adjusted



(1) Compensation & benefits expense excludes organizational alignment costs incurred in Q2 2013, which is presented separately above.

For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

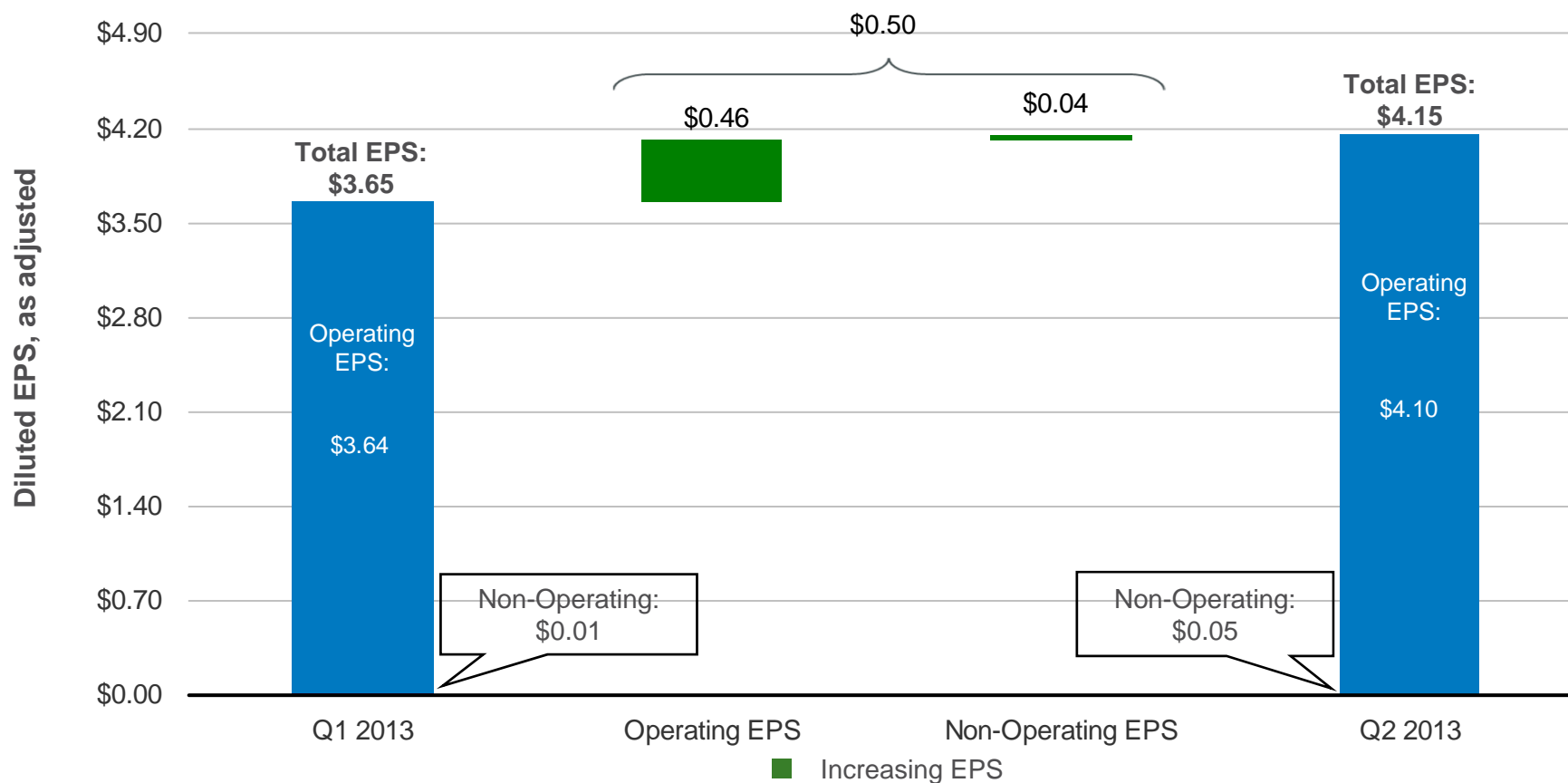
Sequential Quarters

Q2 2013 vs. Q1 2013

Results reflect base fee growth and seasonal factors

- Sequential results reflect seasonal factors primarily related to higher securities lending fees, lower payroll taxes and lower performance fees
- Q2 2013 and Q1 2013 include \$9 million and \$33 million of organizational alignment costs, respectively
- Q1 2013 included \$18 million of pre-tax fund launch costs
- Q2 2013 EPS reflects a \$39 million non-cash, non-operating pre-tax gain related to the PennyMac IPO
- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Q2 2013 Compared to Q1 2013, as adjusted

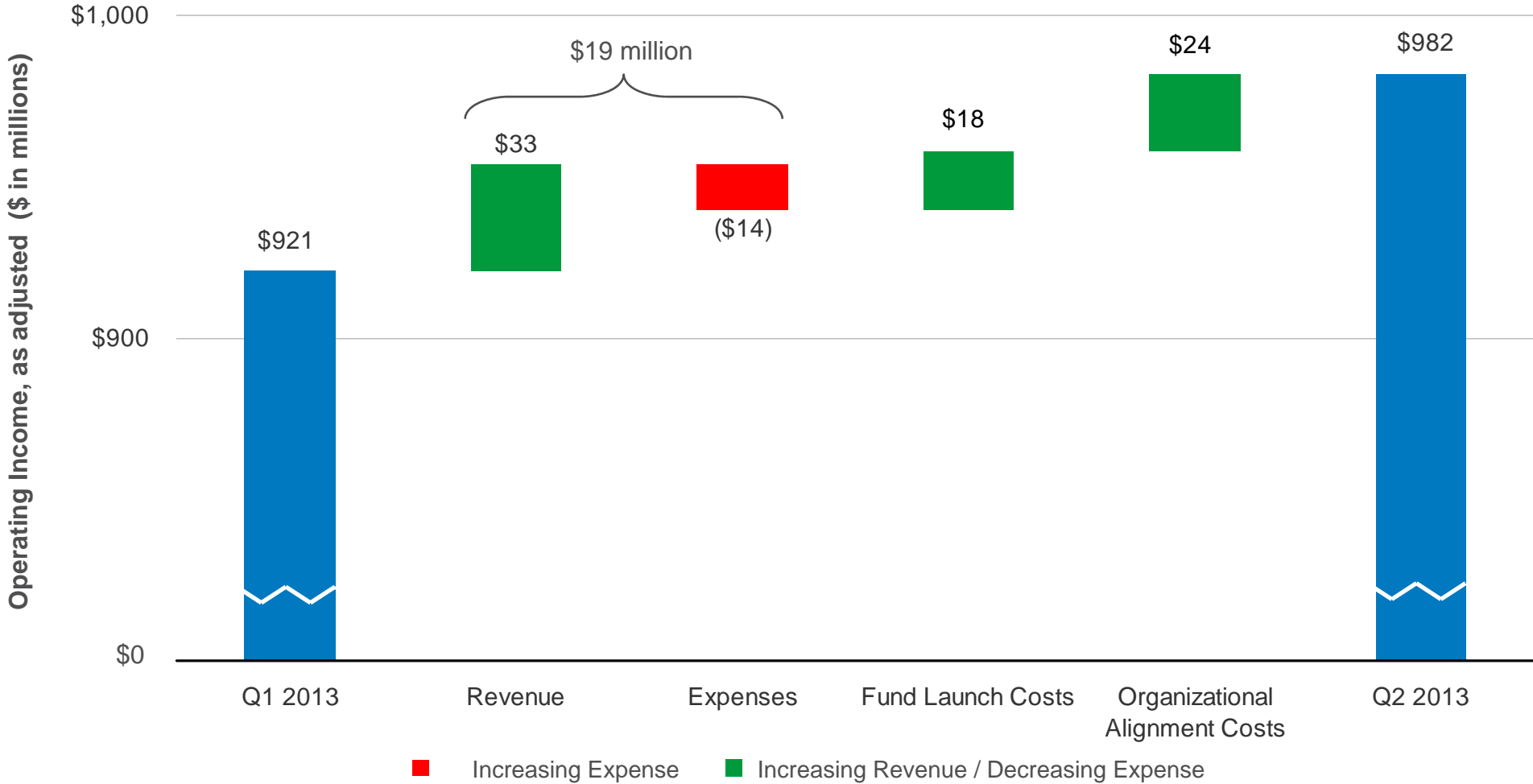


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Operating income reflects record base fees, margin expansion and seasonal factors

- Sequential results reflect seasonal factors primarily related to higher securities lending fees, lower payroll taxes and lower performance fees
- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Q2 2013 Compared to Q1 2013 , as adjusted

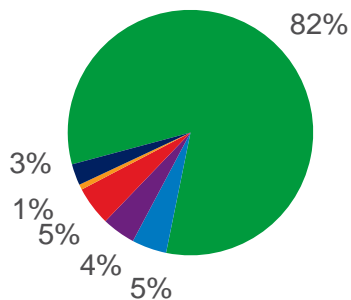


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Higher revenue driven by record base fees and seasonally higher securities lending

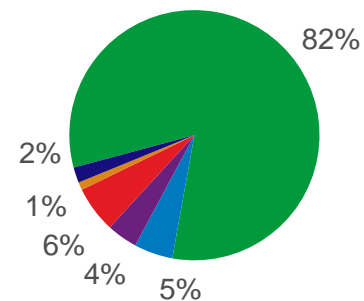
Total Revenue

Q1 2013
\$2.45 billion

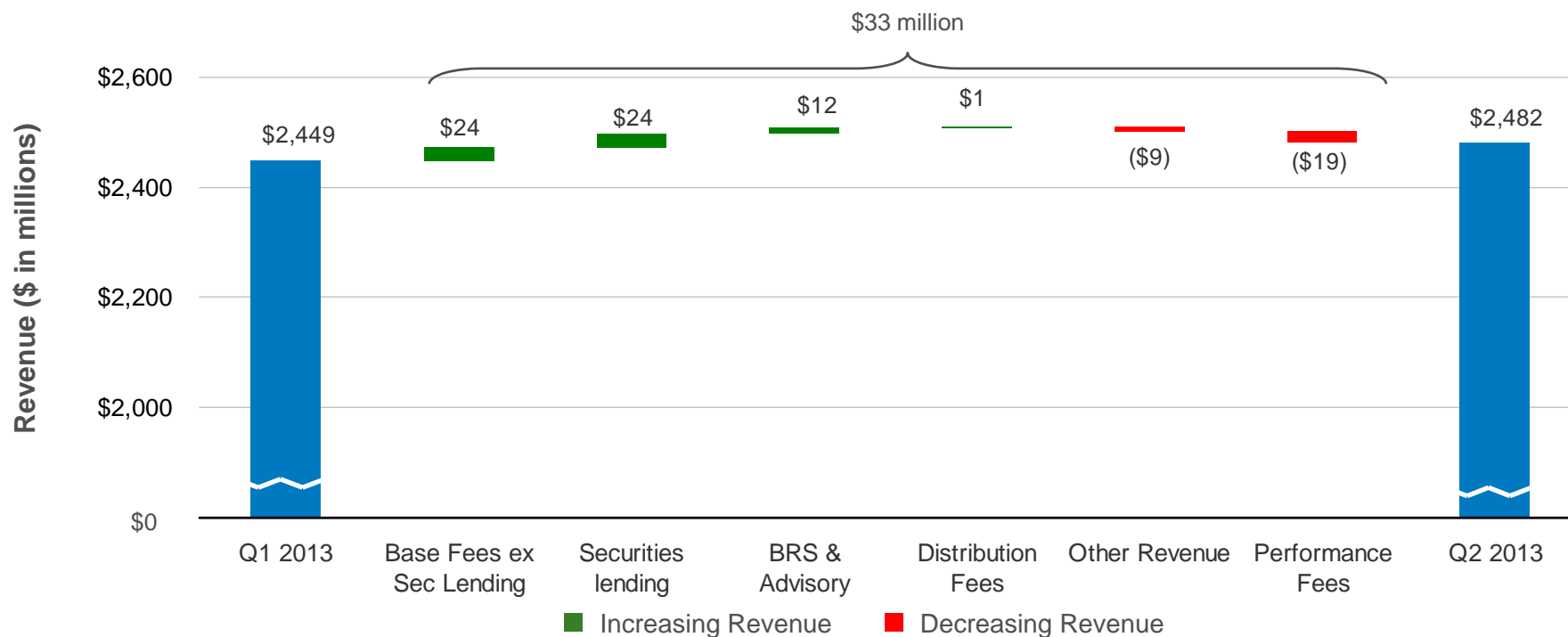


- Base Fees ex Sec Lending
- Securities lending
- Performance Fees
- BRS and Advisory
- Distribution Fees
- Other Revenue

Q2 2013
\$2.48 billion



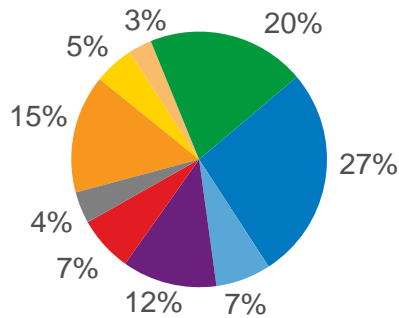
Q2 2013 Compared to Q1 2013



Base fees (including securities lending) reflects growth from higher average AUM

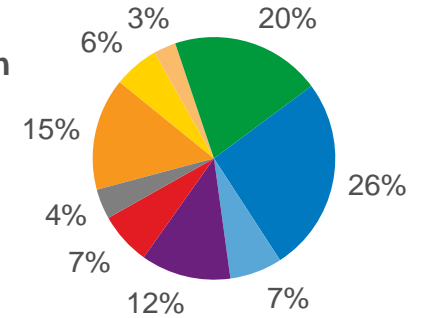
Base Fees

Q1 2013
\$2.13 billion

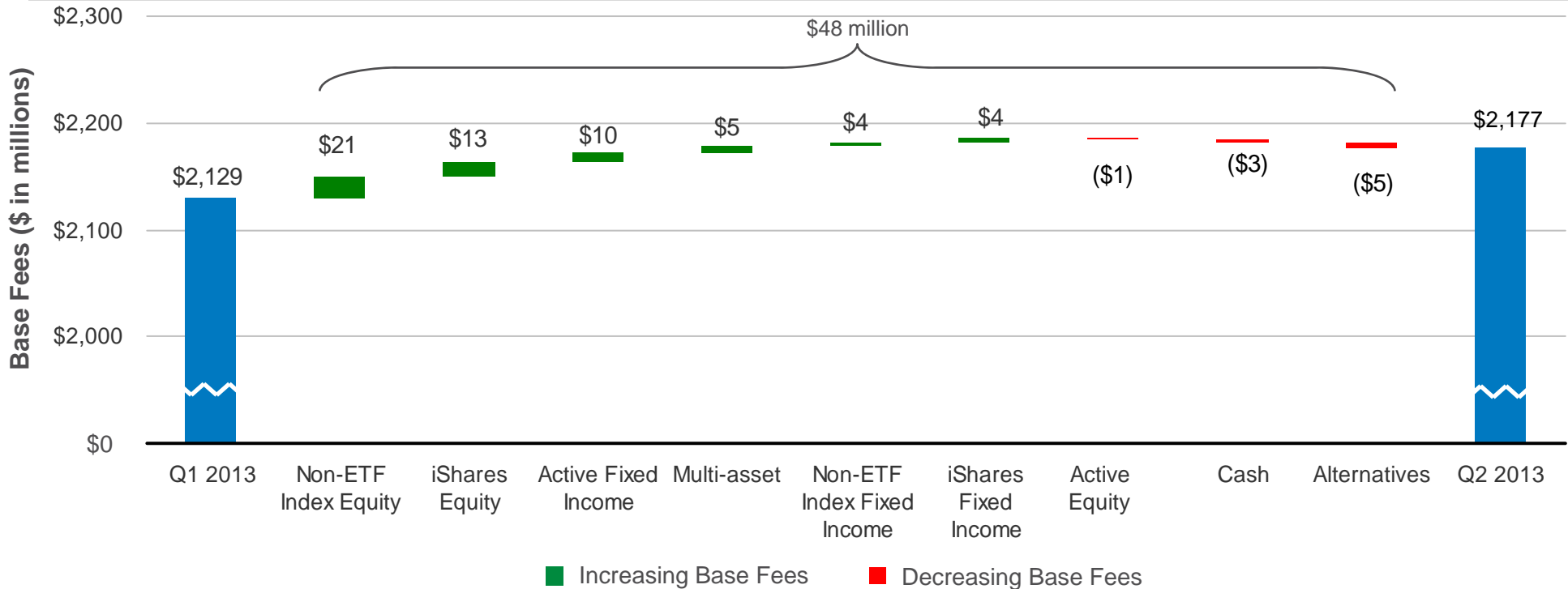


- Active Fixed Income
- iShares Fixed Income
- Non-ETF Index Fixed Income
- Active Equity
- iShares Equity
- Non-ETF Index Equity
- Multi-Asset
- Alternatives
- Cash

Q2 2013
\$2.18 billion



Q2 2013 Compared to Q1 2013



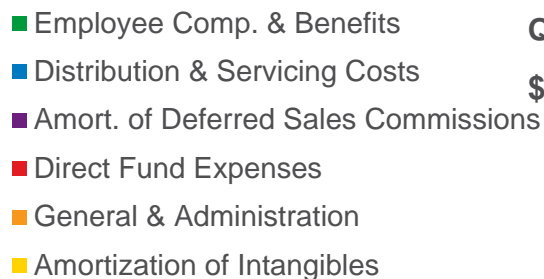
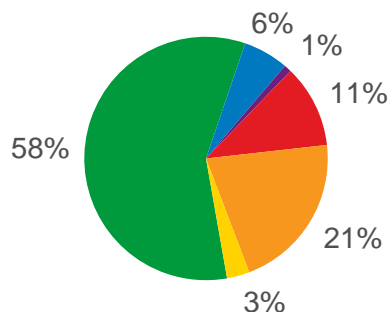
Expenses reflects seasonal factors

- Sequential results reflect seasonal factors primarily related to lower payroll taxes
- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

Expenses, as adjusted, by Category

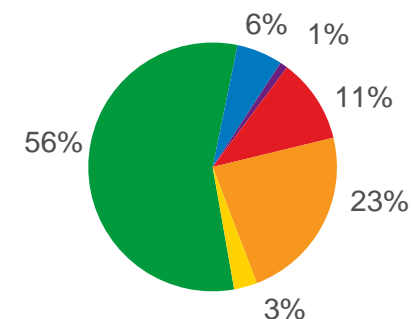
Q1 2013

\$1.53 billion

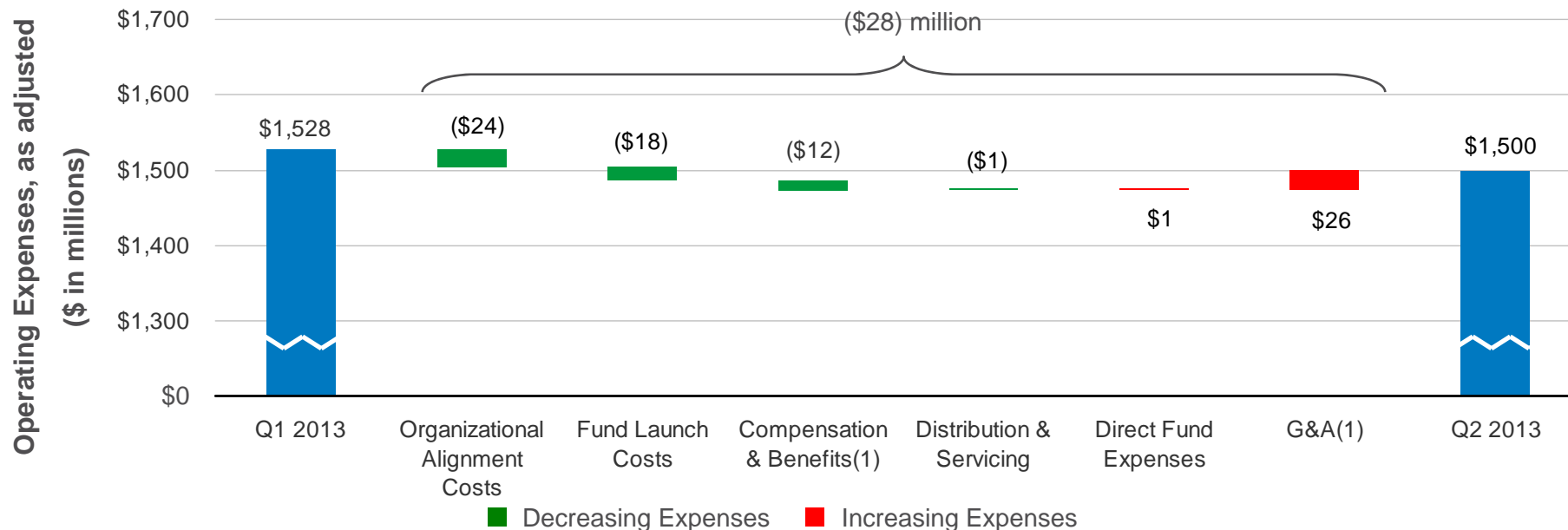


Q2 2013

\$1.50 billion



Q2 2013 Compared to Q1 2013, as adjusted



(1) Compensation & benefits expense excludes organizational alignment costs incurred in Q1 2013 and Q2 2013, which are presented separately above. G&A expense excludes Q1 2013 fund launch costs, which are also presented separately above.

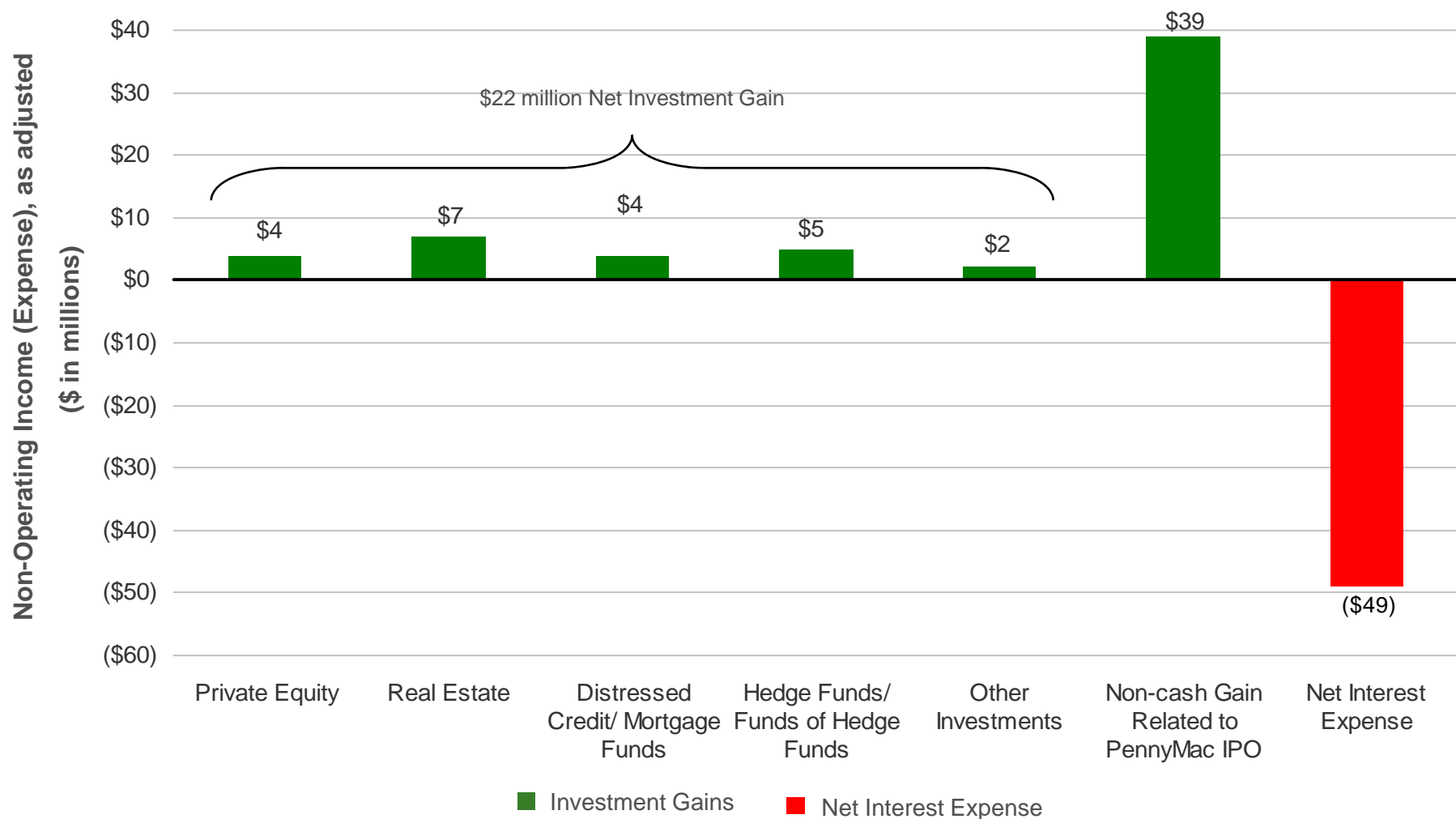
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Non-operating and Capital Management

Q2 2013 non-operating income

- Amounts related to the PennyMac Charitable Contribution have been excluded from as adjusted results, among other items

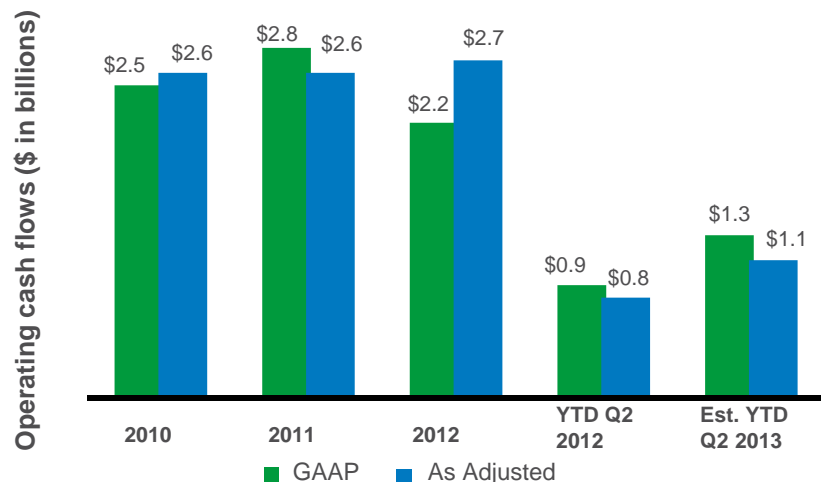
Q2 2013 \$12 million Non-Operating Income by Category, as adjusted



For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

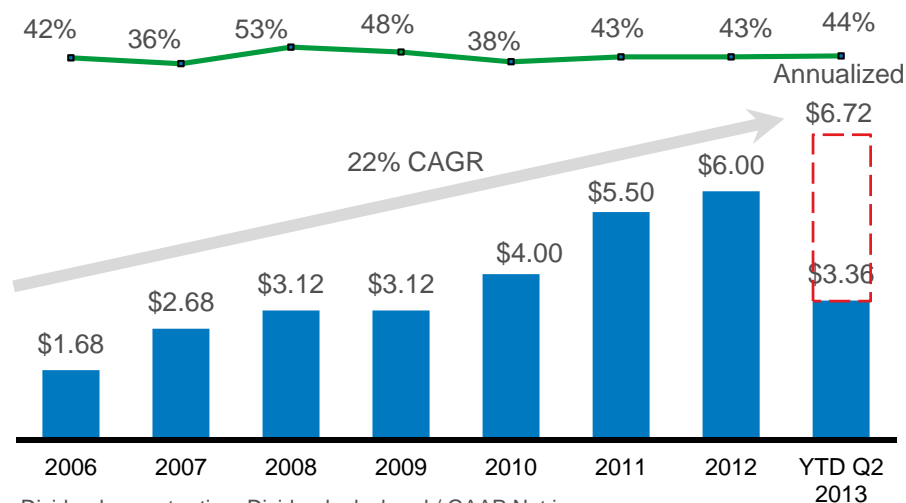
Continued commitment to sound capital management

Operating cash flow



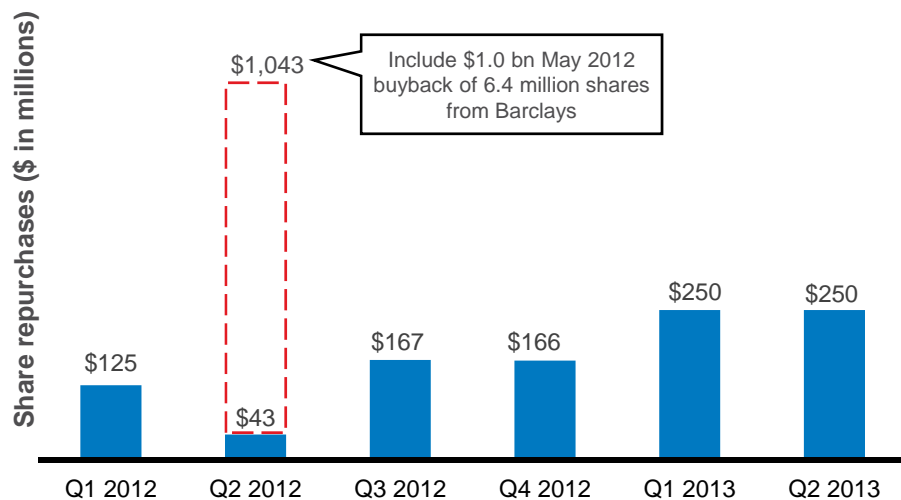
For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, Form 10-Qs and 8-Ks and the appendix to this earnings release supplement.

Dividends and Dividend Payout Ratio



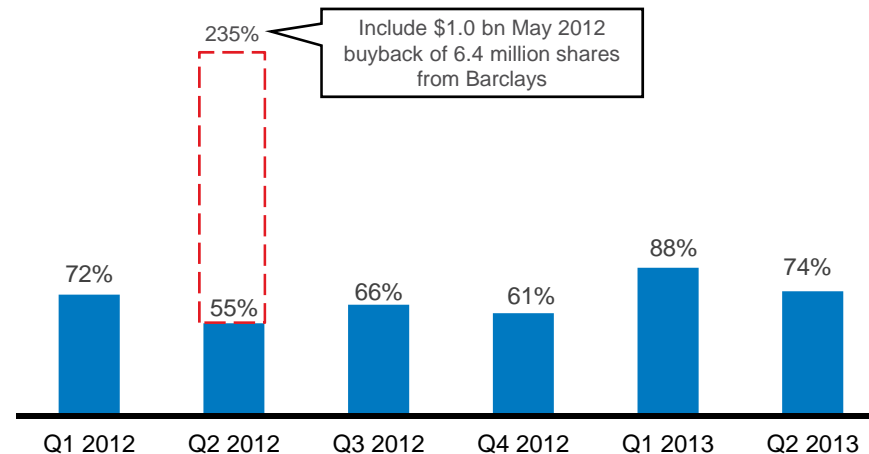
Dividend payout ratio = Dividends declared / GAAP Net income.

Share repurchases



Amounts above exclude repurchases of employee tax withholdings related to employee stock transactions.

Total payout ratio



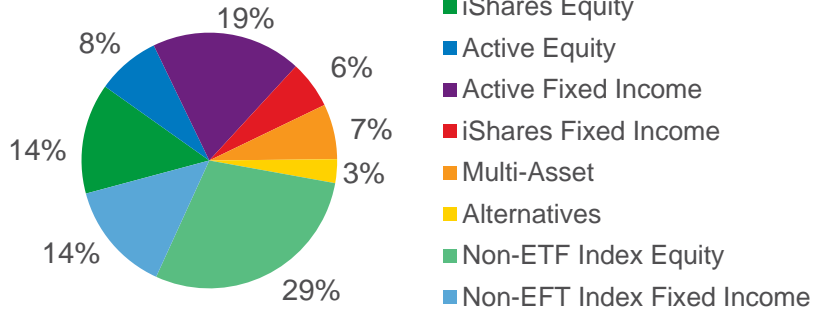
Payout ratio = (Dividends declared + shares repurchases) / GAAP Net income.

Appendix

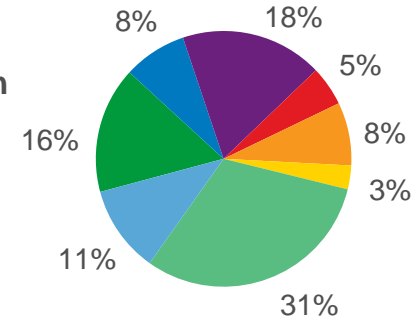
Q2 2013 long-term AUM up 9% from Q2 2012

Long-term AUM

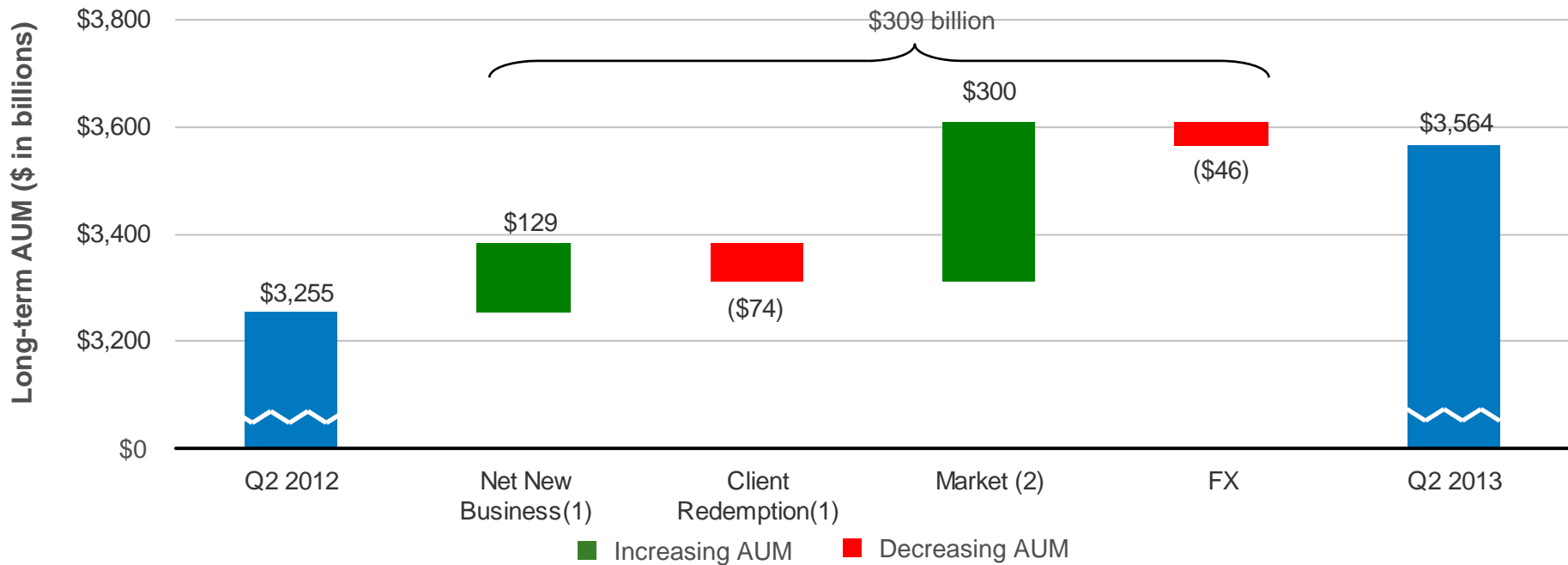
Q2 2012
\$3.255 trillion



Q2 2013
\$3.564 trillion



Q2 2013 Compared to Q2 2012



(1) Net new business excludes the effect of a single low-fee non-ETP index fixed income outflow of \$74.2 billion in the third quarter 2012, which is shown separately above.

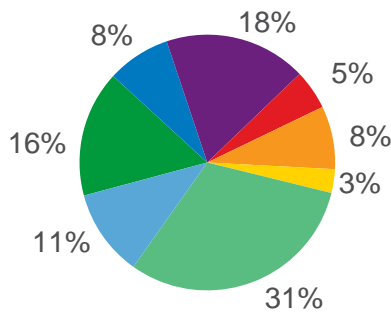
(2) Market includes \$6.1 billion of AUM acquired from Swiss Re Private Equity Partners in September 2012.

Q2 2013 long-term AUM down 2% from Q1 2013

Long-term AUM

Q1 2013

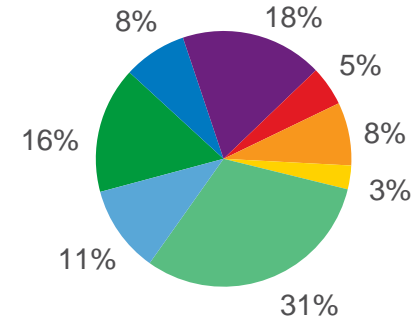
\$3.629 trillion



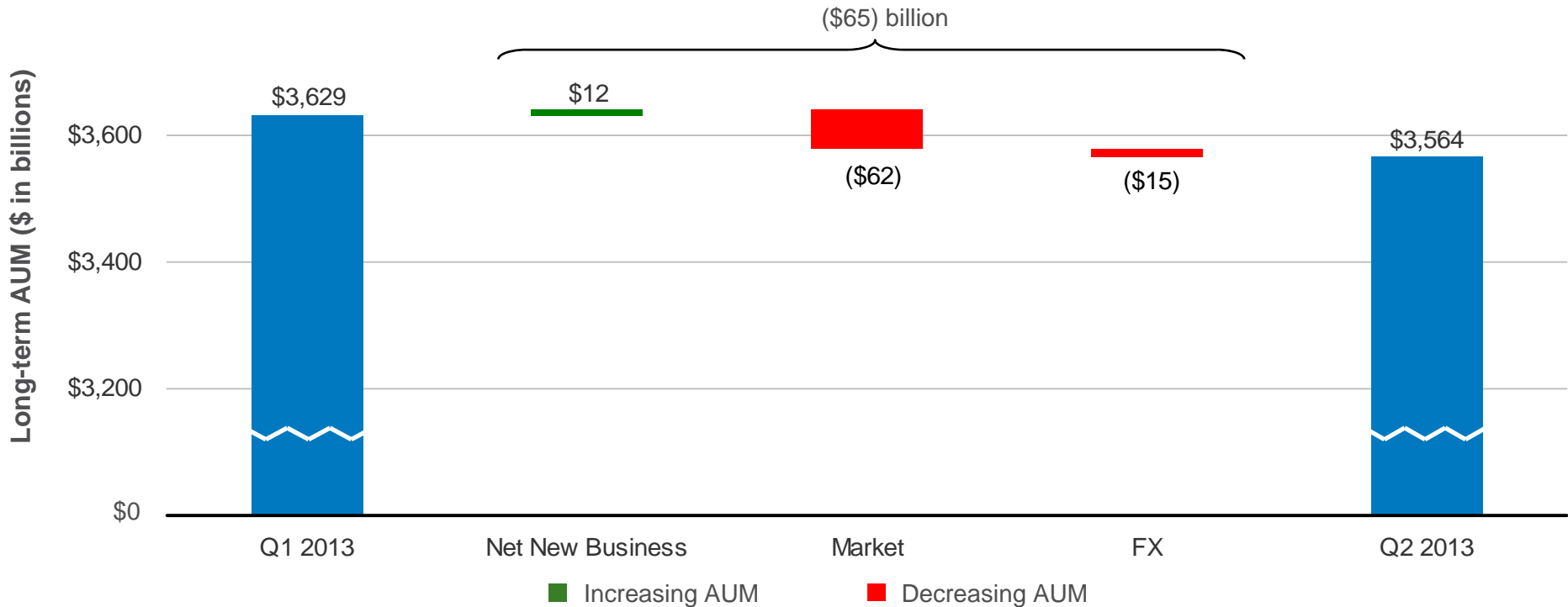
- iShares Equity
- Active Equity
- Active Fixed Income
- iShares Fixed Income
- Multi-Asset
- Alternatives
- Non-ETF Index Equity
- Non-ETF Index Fixed Income

Q2 2013

\$3.564 trillion



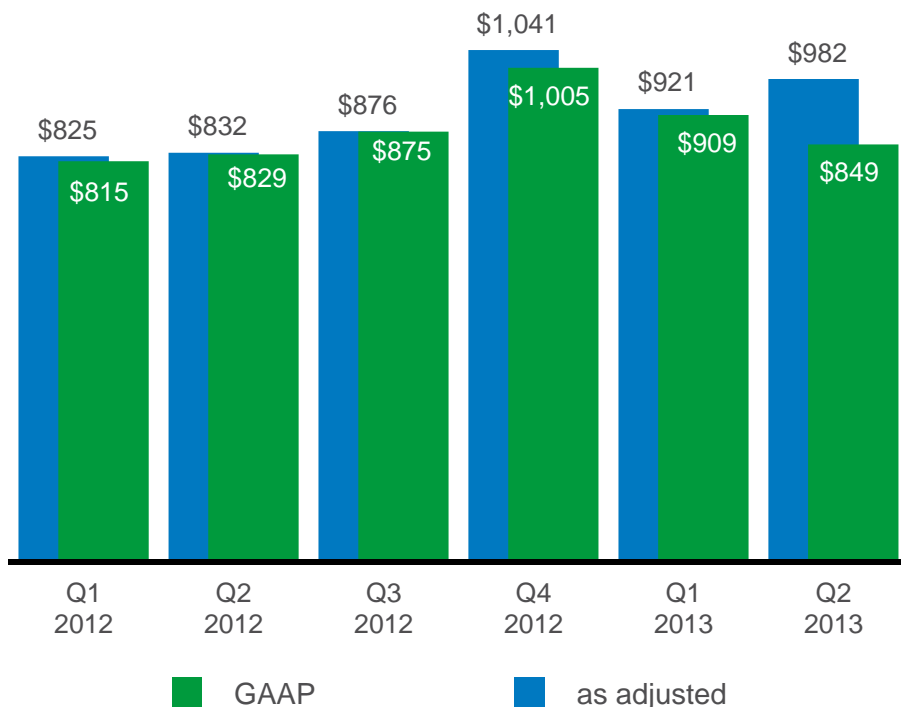
Q2 2013 Compared to Q1 2013



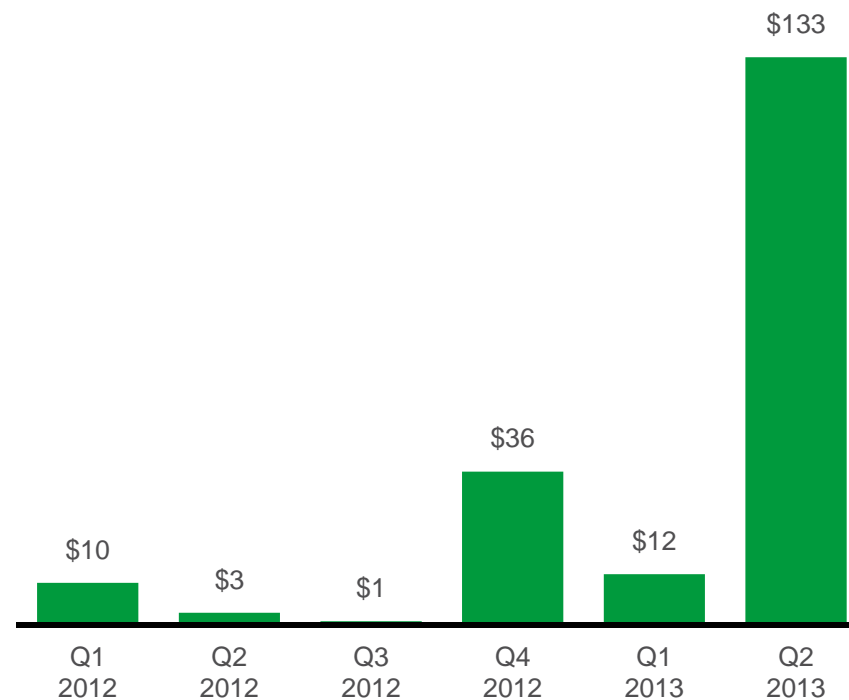
Quarterly operating income – GAAP and as adjusted

Non-GAAP adjustments include amounts related to the PennyMac Charitable Contribution, a contribution to short-term investment funds (“STIFs”), PNC LTIP funding obligation and compensation related to appreciation (depreciation) on certain deferred compensation plans.

Operating Income (\$ in millions)



Non-GAAP Adjustments (\$ in millions)

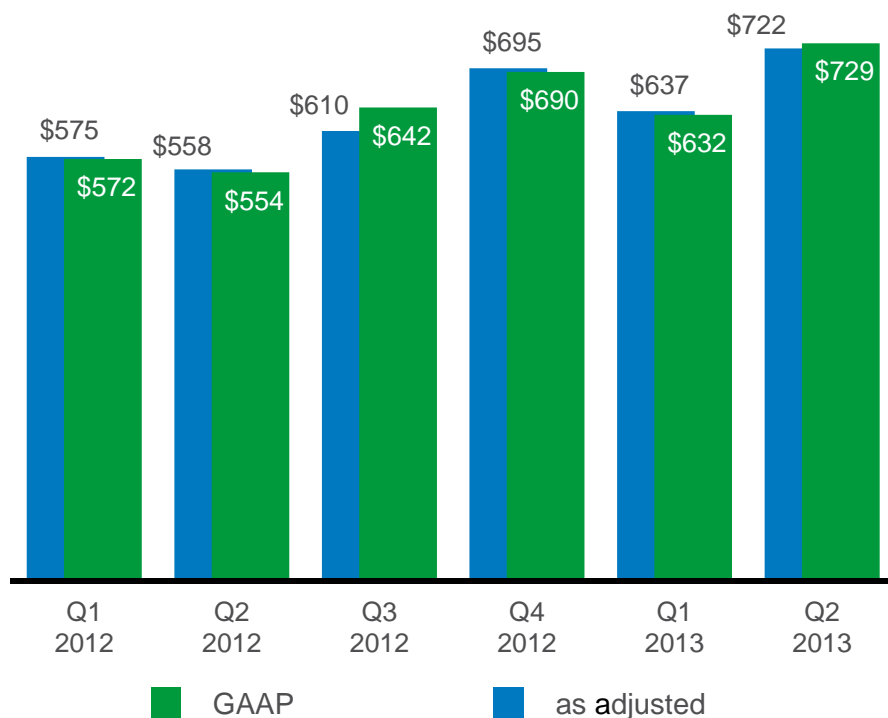


For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

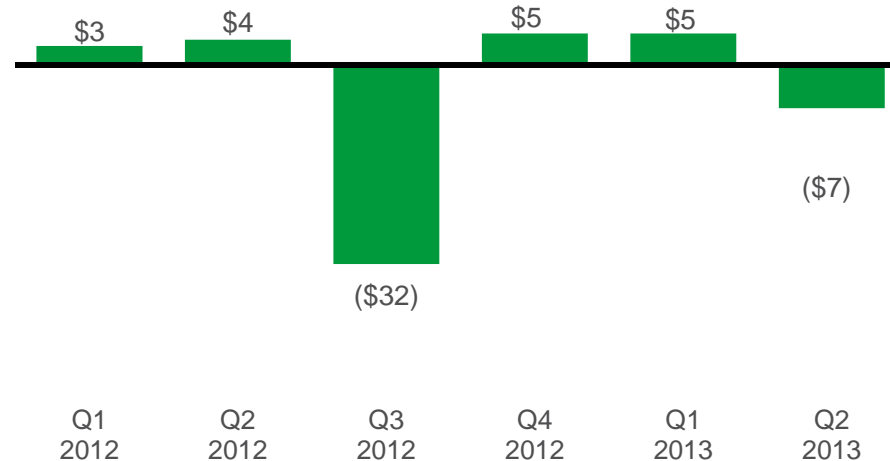
Quarterly net income – GAAP and as adjusted

Non-GAAP adjustments include amounts related to the PennyMac Charitable Contribution, a contribution to STIFs, PNC LTIP funding obligation and income tax changes.

Net Income (\$ in millions)



Non-GAAP Adjustments (\$ in millions)

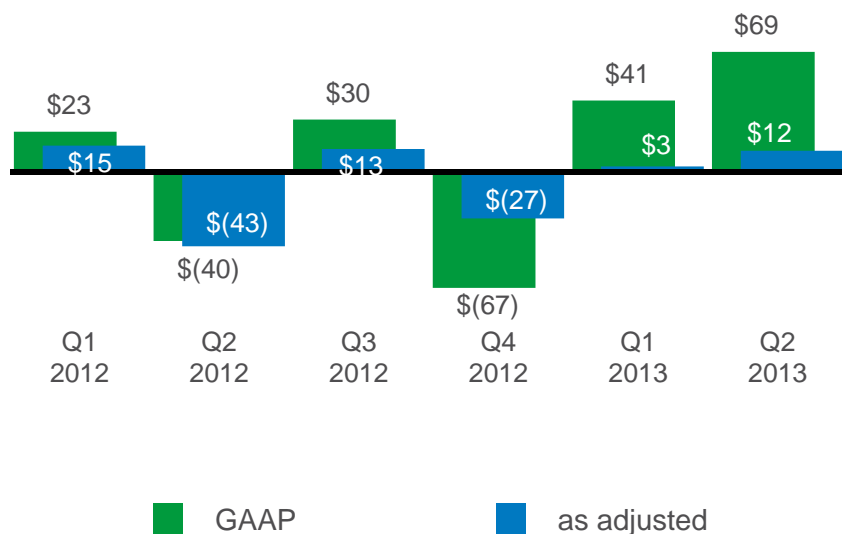


For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

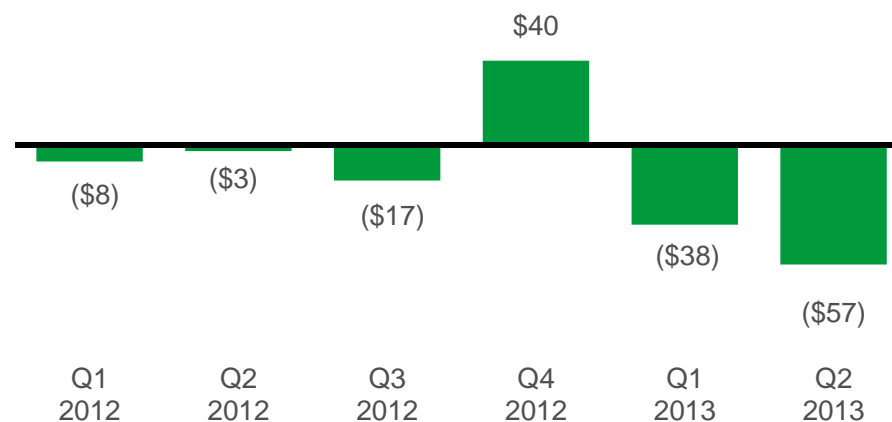
Quarterly non-operating income (expense) – GAAP and as adjusted

Non-GAAP adjustments include net income (loss) attributable to non-controlling interests, a gain associated with the PennyMac Charitable Contribution and compensation expense related to (appreciation) depreciation on certain deferred compensation plans.

Non-Operating Income (Expense) (\$ in millions)



Non-GAAP Adjustments (\$ in millions)



For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Q2 2013 PennyMac Financial Impact

	GAAP		
	PennyMac IPO	Charitable Contribution	Total
General and administration expenses	\$ -	\$ (124)	\$ (124)
Operating Income	-	(124)	(124)
Non-operating Income:			
Net Gain (loss)	39	80	119
Income before income taxes	39	(44)	(5)
Income tax (expense) benefits	(14)	57	43
Net Income attributable to BlackRock	\$ 25	\$ 13	\$ 38

	As Adjusted		
	PennyMac IPO	Charitable Contribution	Total
General and administration expenses	\$ -	\$ -	\$ -
Operating Income	-	-	-
Non-operating Income:			
Net Gain (loss)	39	-	39
Income before income taxes	39	-	39
Income tax (expense) benefits	(14)	-	(14)
Net Income attributable to BlackRock	\$ 25	\$ -	\$ 25

Both GAAP and as adjusted results include a \$39 million non-cash, pre-tax gain related to the carrying value of the Company's equity method investment in PennyMac in connection with PennyMac's initial public offering.

Cash Flow GAAP and As Adjusted

<i>(in millions)</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>YTD Q2 2012</u>	<u>EST YTD Q2 2013</u>
Operating Cash Flows					
Operating Cash flows, GAAP basis	\$2,488	\$2,826	\$2,240	\$865	\$1,300
Less: Non-GAAP adjustments ⁽¹⁾	<u>(77)</u>	<u>178</u>	<u>(483)</u>	<u>51</u>	<u>200</u>
Operating Cash flows, as Adjusted	<u><u>\$2,565</u></u>	<u><u>\$2,648</u></u>	<u><u>\$2,723</u></u>	<u><u>\$814</u></u>	<u><u>\$1,100</u></u>
Investing Cash Flows					
Investing Cash flows, GAAP basis	(\$627)	(\$204)	(\$266)	(\$547)	\$-
Less: Non-GAAP adjustments ⁽¹⁾	<u>(52)</u>	<u>24</u>	<u>(211)</u>	<u>(184)</u>	<u>-</u>
Investing Cash flows, as Adjusted	<u><u>(\$575)</u></u>	<u><u>(\$228)</u></u>	<u><u>(\$55)</u></u>	<u><u>(\$363)</u></u>	<u><u>\$-</u></u>
Financing Cash Flows					
Financing Cash flows, GAAP basis	(\$3,170)	(\$2,485)	(\$944)	(\$235)	(\$2,200)
Less: Non-GAAP adjustments ⁽¹⁾	<u>110</u>	<u>(71)</u>	<u>631</u>	<u>(3)</u>	<u>(100)</u>
Financing Cash flows, as Adjusted	<u><u>(\$3,280)</u></u>	<u><u>(\$2,414)</u></u>	<u><u>(\$1,575)</u></u>	<u><u>(\$232)</u></u>	<u><u>(\$2,100)</u></u>

⁽¹⁾ Non-GAAP adjustments include the impact on cash flows of consolidated sponsored investment funds and consolidated VIEs.

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